

COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH

FACT SHEET

**REQUEST APPROVAL TO SUPERSEDE 107 LEGAL ENTITY AGREEMENTS
FOR MENTAL HEALTH SERVICES
FISCAL YEARS 2011-12 AND 2012-13
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval to supersede 107 existing Legal Entity Agreements for mental health services in order to incorporate new and revised standard contract provisions to ensure the uniform implementation of provisions required in all DMH LE Agreements and update the Maximum Contract Amount as approved under delegated authority, effective July 1, 2011.

REQUEST

Approve and authorize the Director of Mental Health (Director), or his designee, to prepare, sign, and execute 107 Department of Mental Health (DMH) Legal Entity (LE) Agreements superseding the Contractors' current LE Agreements for mental health services in order to ensure the uniform implementation of new and revised provisions required in all DMH LE Agreements. These Agreements will be effective July 1, 2011, with a remaining term of one or two years.

Delegate authority to the Director, or his designee, to prepare, sign, and execute future amendments to these LE Agreements, provided that: 1) the County's total payments to a Contractor under each LE Agreement do not exceed a 20 percent increase from the applicable Board-approved annual Maximum Contract Amount (MCA) and the Institutions for Mental Diseases per diem rate increase does not exceed the rates per the State's directive; 2) any such increase is used to provide additional services or to reflect program and/or policy changes; 3) your Board has appropriated sufficient funds for all changes; 4) approval by County Counsel, or designee, is obtained prior to any such amendment; 5) County and Contractor may, by written amendments, reduce programs or services and revise the applicable MCA, provided that any amendments which reduce programs or services will be consistent with the principles agreed to in DMH's stakeholders' process; and 6) the Director notifies your Board and the Chief Executive Officer (CEO) of Agreement changes in writing within 30 days after execution of each amendment.

PURPOSE/JUSTIFICATION

Board approval is required to supersede the LE Agreements to ensure that new and revised provisions are included in all LE Agreements that have one- or two-year terms

remaining, as well as to ensure the uniformity of terms and conditions in all DMH LE Agreements. Additionally, the approval of this Board letter will allow DMH to update the MCA for the LEs; since their last Board-approved MCA, these LE Agreements may have received increases or decreases in funding under delegated authority.

The Fiscal Year (FY) 2011-12 annual MCA for each LE Agreement, as shown in Attachment A, is based on the amounts contained in the CEO Recommended Budget and funded from the following sources:

1) State Revenues (including MHSA):	\$321,853,519
2) Federal Revenues:	\$294,910,477
3) Intrafund Transfers:	\$ 12,237,526
4) NCC/Sales Tax Realignment:	<u>\$ 51,434,770</u>
Total	<u>\$680,436,292</u>

BACKGROUND

On an annual basis, at the recommendation of the CEO and County Counsel, DMH systematically supersedes the existing LE Agreement boilerplate with an updated version that includes new and revised provisions, in order to ensure that all the LE Agreements reflect uniform terms and conditions.

The revised Agreement format includes a revised Financial Exhibit.

CONTRACTING PROCESS

All existing 107 LE Agreements were approved by your Board on June 1, 2010. The term of 68 LE Agreements will be effective July 1, 2011 through June 30, 2012, with the effective terms of the remaining 39 LE Agreements to be from July 1, 2011 through June 30, 2013, including a provision for one subsequent one-year renewal period.

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APPROVED BY:

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